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Supreme Court, U.S.
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No.

IN THE
SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1995

KIM E. LAUBE, d/b/a
KIM E. LAUBE COMPANY,

Petitioner,

v.

SUNBEAM CORPORATION,

Respondent.

Petition for Writ of Certiorari to the
United States Court of Appeals
for the Third Circuit

PETITION FOR WRIT OF CERTIORARI

Daniel P. McDyer, Esquire
Counsel of Record
600 Gulf Tower, 707 Grant Street
Pittsburgh, Pennsylvania 15219
(412) 765-3700

62 pp

QUESTION PRESENTED FOR REVIEW

1. In an action under the Lanham Act, 15 U.S.C., section 1125(a), is it proper for the district court to make a finding of actual and likely confusion and enjoin the use of a trademark based on hearsay evidence when there is a conflict among and amid the Circuits regarding the use of such hearsay evidence in determining the issue of confusion among competing trademarks.

LIST OF PARTIES AND LIST REQUIRED BY SUPREME COURT RULE 29.6.

The caption on this Petition identifies all parties in the Court of Appeals. Petitioner Kim E. Laube, d/b/a Kim E. Laube Company is not a corporation.

TABLE OF CONTENTS

QUESTION PRESENTED FOR REVIEW i

LIST OF PARTIES AND LIST REQUIRED BY SUPREME COURT RULE 29.6 ii

TABLE OF CITED AUTHORITIES v

OPINIONS, REPORTS AND ORDERS BELOW 1

BASIS FOR JURISDICTION 2

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED 3

STATEMENT OF THE CASE 5

REASONS FOR GRANTING CERTIORARI 12

CONCLUSION 22

APPENDIX A
U.S. Court of Appeals for the Third Circuit Order Denying Rehearing dated May 23, 1996 . . . . . 1a

APPENDIX B
U.S. Court of Appeals for the Third Circuit Judgment Order dated April 22, 1996 . . . . . 3a

APPENDIX C
U.S. District Court for the Western District of Pennsylvania Order of Court dated July 20, 1995 . . . . . 5a

APPENDIX D
U.S. Magistrate Judge's Order dated April 10, 1995 . . . . . 8a

APPENDIX E
U.S. District Court for the Western District of Pennsylvania Order of Court dated March 20, 1995 . . . . . 12a

APPENDIX F
U.S. District Court for the Western District of Pennsylvania Amendatory Report of Magistrate Judge dated February 10, 1995 . . . . . 15a

APPENDIX G
Report of Magistrate Judge Relating to The Evaluation of the Likelihood of Confusion Issue Under the *Scott Paper* Factors dated January 31, 1995 . . . . . 18a

TABLE OF CITED AUTHORITIES

Armco, Inc. v. Armco Burglar Alarm Co., Inc., 693 F.2d 1155 (1982) 17

Armstrong Cork Company v. World Carpets,Inc., 597 F.2d 496 (5th Cir. 1979), cert. den. 444 U.S. 932, 100 S. Ct. 277, 62 L.Ed. 2d 190 (1979) 16

Duluth News-Tribune v. Mesabi Publishing Company, 84 F.3d 1093 (8th Cir. 1996) 15

Flintoke Co. v. Tizer, 158 F. Supp. 699 (E.D. Pa. 1957), aff'd, 266 F.2d 849 (3d Cir. 1959) 15

Ford Motor Co. v. Summit Motor Products, Inc., 930 F.2d 277 (3d Cir. 1991) 12, 19

Georgia-Pacific Corporation v. Great Plains Bag Co., 614 F.2d 757 (Cust. & Pat. App. 1980) 16

Horticulture Inc. v. Vigoro Indus., Inc., 30 F.3d 466, 472, 477 (3d Cir. 1994) 12

Imperial Service Systems, Inc. v. ISS International Service, Inc., 701 F. Supp. 655 (N.D. Ill. 1988) 17

International Kennel Club of Chicago, Inc. v. Mighty Star, Inc., 846 F.2d 1079 (7th Cir. 1988) 17

Interpace Corp. v. Lapp, Inc., 721 F.2d 460 (3d Cir. 1983) 19

Miss World (U.K.) Ltd., et al. v. Mrs. America Pagents, Inc., 856 F.2d 1445 (9th Cir. 1988) 15-16

Park 'N Fly, Inc. v. Park and Fly, Inc., 469 U.S. 189, 105 S. Ct. 658, 83 L.Ed 2d 582 (1985) 18, 21

Scott Paper Co. v. Scott's Liquid Gold, 589 F.2d 1225 (3d Cir. 1978) 7-8, 12

Smith Fiberglass v. Ameron, 7 F.3d 1327 (7th Cir. 1993) 17-18

SunFun Products v. Suntan Research & Development, 656 F.2d 186 (5th Cir. (Unit B) 1981) 18

Two Peso, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 112 S. Ct. 2753, 120 L.Ed. 2d 615 (1992) 21

Versa Products Co, Inc. v. Bifold Co. (MFG).LTD., 50 F.3d 189, (3d Cir. 1995) cert. den. - U.S. - 116 S. Ct. 54, 133 L.Ed 2d 19 (1995) 14

Victory Pipe Craftsman, Inc. v. Faberage, Inc., 582 F. Supp. 551 (N.D. Ill. 1984) 17

Vitek Systems v. Abbot Laboratories, 675 F.2d 190 (8th Cir. 1992) 15

Ziebart International Corp. v. After Market Associates, Inc., 802 F.2d 220 (7th Cir. 1986) 18-19

STATUTES

Title 15 U.S.C. §1051 et seq. 5

Title 15 U.S.C. §1121 . . . . . 5, 18

Title 15 U.S.C. §1125(a) 5

Title 28 U.S. C. §1254(1) 2

Title 28 U.S.C. §1331 5

Title 28 U.S.C. §1338 5

OPINIONS, REPORTS AND ORDERS BELOW

The U.S. Court of Appeals for the Third Circuit affirmed the judgment of the United States District Court for the Western District of Pennsylvania without opinion on April 22, 1996 and this Order appears as Appendix B to this Petition. Rehearing was denied by Order dated May 23, 1996 and this Order appears as Appendix A to this Petition.

The unpublished Order of the United States District Court for the Western District of Pennsylvania dated July 20, 1995 appears as Appendix C to this Petition.

The unpublished Order of United States Magistrate Judge Caiazza dated April 10, 1995 appears as Appendix D to this Petition.

The unpublished Order of the United States District Court for the Western District of Pennsylvania dated March 20, 1995 appears as Appendix E to this Petition.

The written unpublished report of United States Magistrate Judge Francis X. Caiazza dated January 31, 1995 and his written unpublished Amendatory Report dated February 10, 1995 appear as Appendixes G and F, respectively, to this Petition.

BASIS FOR JURISDICTION

The decision of the U.S. Court of Appeals for the Third Circuit in this matter was filed on April 22, 1996. (See Appendix B). The Court of Appeals denied Petitioner's request for rehearing by an Order dated May 23, 1996. (See Appendix A). This Court's jurisdiction is invoked under Title 28, U.S.C. section 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

1) 15 U.S.C. section 1125(a) which reads as follows:

> (a) Civil action. (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--
>
> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
>
> (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,
>
> shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

2) As used in this subsection, the term "any person" includes any State, instrumentality of a State or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this Act in the same manner and to the same extent as any nongovernmental entity.

STATEMENT OF THE CASE

The statutory basis for the subject matter jurisdiction of the United States District Court for the Western District of Pennsylvania is 28 U.S.C. Sections 1331 and 1338. As this matter arises under Section 43(a) of the Lanham Act, 15 U.S.C. section 1125(a), for alleged infringement of an unregistered alphanumeric designation and related claims, Section 39 of the Lanham Act, 15 U.S.C. section 1121 provides jurisdiction.

Respondent Sunbeam Corporation (hereinafter referred to as Sunbeam) instituted this civil action against Petitioner, Kim E. Laube d/b/a Kim E. Laube Company (hereinafter referred to as Laube), pursuant to the Lanham Act, 15 U.S.C. section 1051 et seq. Sunbeam seeks injunctive and monetary relief under section 43(a) of the Lanham Act, 15 U.S.C. section 1125(a) and related state and common law claims for alleged trademark infringement.

Sunbeam, through its Oster Professional Products Division, markets animal grooming products, including a professional small animal clipper designated the model A5 clipper. The Oster A5 clipper used certain "snap-on" blades to permit the professional groomer or veterinarian to quickly and easily change blades. Oster manufactured other clippers including the model A2 clipper which utilized screw-on blades that required the user to attach the blades onto the clipper using a screwdriver. Oster also manufactured model A3 and A4 clippers.

Mr. Laube is a private individual and resident of California, who has been engaged in the animal grooming

industry since 1972. In 1976, Laube developed and manufactured the "Laube A-5 Blade Caddy" to carry and store animal clipper blades. In 1985, Laube developed and sold a motor gear enhancement system which could be installed in a clipper that accepted "snap-on" blades; Laube's gear enhancement system also improved the cutting performance of a clipper. The gear enhancement system was marketed and sold in the veterinary and animal grooming industries as the "Laube A-5 gear system." Sunbeam's sales personnel were aware that Laube was marketing and selling the gear enhancement system under the "Laube A-5" designation. However, during that time, no objection was ever made by Sunbeam to Laube regarding his use of their alleged "A5" trademark.

In April, 1991, after four and one-half years of development, Laube introduced the "Laube A-5 Cordless Pro Clipper" which was a professional animal grooming clipper to be marketed to animal groomers, veterinarians, and other professionals. This clipper was innovative and unique in that it was a cordless clipper which could be used to groom or shave animals without the need for an electrical outlet.

Prior to developing his own manufacturing facility, petitioner Laube negotiated with Sunbeam to sell them the "Laube A-5 Cordless Pro Clipper". During the negotiations, Laude made certain submissions to Sunbeam which prominently displayed the intended product name "Laube A-5". Again, Sunbeam voiced no objection to the use of their alleged "A5" trademark. The parties could not agree upon a sales price and negotiations broke down.

Shortly after these negotiations broke down, Sunbeam instituted this action against Laube claiming trademark

infringement by virtue of Laube's use of the "Laube A-5" designation.

A hearing on Sunbeam's Motion for Preliminary Injunction was held. Upon recommendation and written report of the United States magistrate, the United States District Court for the Western District of Pennsylvania issued a preliminary injunction. However, this injunction was vacated by the United States Court of Appeals for the Third Circuit on May 2, 1994. The Third Circuit Court of Appeals remanded the matter to the District Court, and instructed the lower court to determine the likelihood of confusion between the two competing marks according to the factors enumerated in *Scott Paper Co. v. Scott's Liquid Gold*, 589 F.2d 1225 (3d Cir. 1978).

A Court must evaluate the *Scott Paper* factors to determine whether a likelihood of confusion exists between two competing trademarks. These factors are:

1. Similarity of the marks.
2. Strength of the mark.
3. The price of the goods and other factors indicative of the care and attention expected of consumers when making a purchase.
4. Length of time without actual confusion.
5. Intent.
6. Actual confusion.
7. Marketing channels.
8. Targets of the parties' sales efforts.
9. Similarity of function.

Scott Paper, 589 F.2d at 293.

On remand, the magistrate judge considered the *Scott Paper* factors, determined that there was a likelihood of confusion and recommended that a preliminary injunction should again issue. That recommendation was adopted by the District Court by Order dated March 20, 1995.

The U.S. Court for Appeals for the Third Circuit erred in affirming the District Court's issuance of a preliminary injunction because the District Court made clear errors of law and fact and improperly applied the *Scott Paper* factors. Specifically, the Third Circuit erred in affirming the District Court's use of hearsay evidence to support its finding of confusion.

In reaching its decision, the lower court found the following *Scott Paper* factors "distinctly probative": the similarity of the marks, the strength of the Sunbeam mark, the intent of Laube, and the length of time without actual confusion.

The evidence of the alleged actual confusion presented by Sunbeam at the hearing consisted solely of the testimony of a Sunbeam employee and several persons contractually related to Sunbeam. None were actual consumers. Laube objected to all this testimony as unreliable hearsay.

One of the witnesses relied upon by the lower court, Ken Turner, a clipper service repair man, testified that his family operated a clipper service center in Philadelphia, Pa. for many years. The center is an authorized Sunbeam service center, and it repairs and services Sunbeam clippers, as well as clippers of Sunbeam's competitors, including Andis clippers.

Mr. Turner testified that after the introduction of the "Laube A-5 Cordless Pro Clipper" in 1991, he received,

through the mail, two "Laube A-5 Cordless Pro Clippers" with written requests for repair. He received the units approximately a year after the introduction of the "Laube A-5 Cordless Pro Clipper". Since Mr. Turner did not repair Laube clippers, the units were mailed back to the owners without any contact or conversation with the owners. There was no testimony as to the specific reasons why the clippers were sent to Mr. Turner's repair shop.

The District Court stated in its opinion that it expressly relied upon and considered as a major factor, the "brief interval of time" which elapsed between the introduction of the "Laube A-5 Cordless Pro Clipper" in 1991 and the subsequent return of two Laube products to an authorized Oster service center as indicative of a likelihood of confusion.

The Sunbeam employee who testified at the hearing, Mid-Atlantic District Sales Manager Mr. Richard Sporring, testified that he was approached by several unidentified persons at industry trade shows who inquired about a new clipper with multiple battery packs (the "Laube A-5 Cordless Pro Clipper"). He gave no testimony that the confusion was related to the use of the "Laube A-5" designation. None of the unidentified third parties testified at the hearing. Mr. Sporring's testimony was admitted as evidence of actual confusion over Laube's hearsay objection.

Sunbeam also submitted several internal memos showing alleged actual confusion among unidentified customers. All of the memos were dated within several days of each other and all were prepared by Sunbeam employees after the filing of this suit. These memos, prepared by Sunbeam's own employees, were also admitted as evidence of actual confusion over Laube's hearsay objections.

On the other hand, Laube presented the "live" testimony of several disinterested witnesses to show there was neither confusion between the marks nor confusion between the Laube and Sunbeam products. Janelle Lee, a former western regional manager for Sunbeam, testified that she encountered no confusion among her customers with regard to Laube's use of the "Laube A-5" designation on products during the time period from 1981 to 1991. Also, Russ Dan, a former Sunbeam sales representative for the New England area, testified none of his 150 customers ever expressed confusion between a "Laube A-5" product and any of Sunbeam's products.

Three other witnesses engaged in the veterinary industry, Dr. Lawrence Gershon, Dr. Kathy Ann Megella and Ms. Lynn D. Ramage, testified that "A5" was a generic reference to "snap-on" blades. Ms. Ramage also testified that she never had a problem distinguishing the two different clippers. Additionally, Laube presented testimony of three professional animal groomers, Judith Rohal, Elizabeth Susan Paul, and Karolyn Jean Kelly who also testified that "A5" was a generic reference to a "snap-on" blade. Ms. Paul testified as to the differences between the Laube and Sunbeam products and asserted she could tell them apart simply by looking at them.

Laube also commissioned a professional survey to determine the existence of any likelihood of confusion. Laube's survey was performed by Dr. Jacob Jacoby, PhD., who testified on behalf of Laube. Dr. Jacoby is a consumer psychologist and was awarded an endowed chair in the marketing department of the Graduate Business School at New York University. Dr. Jacoby teaches several doctoral and masters courses at New York University and also owns

and operates a firm that performs professional survey research. Dr. Jacoby undertook a survey to determine whether (and, if so, to what extent) there was a likelihood of confusion resulting from Laube using the "Laube A-5" name on animal grooming clippers. The survey was performed in 10 large cities throughout the United States, including San Diego, Chicago and the New York area. The survey showed that there was no appreciable likelihood of confusion. Specifically, Dr. Jacoby's conclusion was that "the bottom line is there is virtually no likelihood of confusion based upon tests conducted of these 147 qualified people". The entire survey was submitted into evidence as appellant's Exhibit II.

Mr. Laube testified that he never encountered any confusion since beginning to sell the "Laube A-5 Cordless Pro Clipper" in 1991. He also testified that he had used the "Laube A-5" designation on his products since the 1980's and included the "Laube A-5" designation on the submissions he made to Sunbeam's attorneys in 1990. Mr. Laube asserted that after the negotiations to sell the "Laube A-5 Cordless Pro Clipper" to Sunbeam stalled a Sunbeam representative threatened that he should accept Sunbeam's offer because "Sunbeam was a big corporation, they have got a lot of muscle, and that they [could] hurt [him]."

The lower court gave no significant weight to the firsthand testimony presented by Laube or the expert survey. Instead, the lower court relied on the hearsay evidence produced by Sunbeam in order to support the finding of confusion. The Court of Appeals for the Third Circuit affirmed the District Court's holding based upon these grounds.

REASONS FOR GRANTING CERTIORARI

In order to establish trademark infringement, the plaintiff must prove:

> (1) the marks are valid and legally protectable; (2) the marks are owned by the plaintiff; and (3) the defendant's use of the marks to identify goods or services is likely to create confusion concerning the origin of the goods and services.

Ford Motor Co. v. Summit Motor Products, Inc., 930 F.2d 277, 291 (3d Cir. 1991). A likelihood of confusion exists when a purchaser, using ordinary caution in making his or her purchase, assumes that product "A" is associated with the maker or source of Product "B" because the marks of both products are similar. *Horticulture Inc. v. Vigoro Indus., Inc.*, 30 F.3d 466, 472, 477 (3d Cir. 1994). Actual confusion between the products based on the disputed mark and the length of time defendant has used the disputed mark without actual confusion are both significant factors used to determine whether there is a likelihood of confusion. *Scott Paper*, 930 F.2d at 293.

In adopting the reasoning of the District Court, the Third Circuit erred by approving the use of hearsay evidence as determinative proof of both actual confusion and likely confusion. This is inconsistent with both the Third Circuit's prior decisions and decisions from other Circuit Courts. Furthermore, upon review of case law from various Circuit Courts of Appeal regarding the use of hearsay evidence in

trademark cases, it is clear that the Circuits are split on this issue.

In this case, Sunbeam presented the testimony of Mr. Sporring concerning statements allegedly made to him by unidentified tradeshow attendees. This testimony was clearly hearsay. Nonetheless, this testimony was admitted, over Laube's hearsay objection, and was relied upon by the lower courts in determining that there was actual confusion between the products.

Sunbeam also offered several internal memoranda, generated by their own employees after the start of this litigation, which contain alleged statements from unidentified customers suggesting confusion. None of the employees responsible for these internal memoranda were present at the hearing to testify. This "evidence", which is double hearsay, was also admitted over Laube's hearsay objections and relied upon by the lower courts.

Lastly, the Third Circuit placed great weight on the fact that two "Laube A-5 Cordless Pro Clippers" were mailed to a Sunbeam authorized repair shop for service after the products were introduced to the marketplace. This repair shop, which was authorized to repair both Sunbeam and Andis animal grooming products, also repaired and serviced clippers made by several other manufacturers. There was no direct contact between the repair shop and the customers who mailed the "Laube A-5 Cordless Pro Clippers". Thus, there was no evidence showing that the customers mailed the clippers to the shop because of confusion caused by the "Laube A-5" designation. In fact, there was no explanation at all as to how or why the customers selected the repair shop to service their "Laube A-5 Cordless Pro Clippers". This testimony failed to provide any connection between the

"Laube A-5" designation and the two clippers mailed to the repair shop. However, the Courts below concluded this testimony evidenced actual confusion between the Laube and Sunbeam products and demonstrated the "brief interval" of time between the introduction of the "Laube A-5" clipper and actual confusion with Sunbeam's clippers.

The Third Circuit, by relying on the above hearsay evidence to prove actual and likely confusion, is in direct contradiction with another recent Third Circuit case. In *Versa Products Co, Inc. v. Bifold Co. (MFG). LTD.*, 50 F.3d 189, 211 (3d Cir. 1995) cert. den. - U.S. -, 116 S. Ct. 54, 133 L.Ed.2d 19 (1995), the Third Circuit held that a fax concerning a product, which was intended for one manufacturer but received by a competitor, was inadmissible hearsay and could not be used to prove a likelihood of confusion. The Court found that without testimony about the circumstances surrounding the fax's transmission, the fax was inadmissible to support a determination of either actual confusion or likely confusion. *Id.* Additionally, the *Versa* Court found that hearsay evidence of confusion allegedly obtained at tradeshows from unidentified individuals could not be reliable evidence of confusion. *Id.* at 212. The Third Circuit specifically stated that the District Court "erred in relying on hearsay evidence for the proposition that there was actual confusion." *Id.* Thus, the Third Circuit in *Versa* rejected as unreliable hearsay the identical evidence presented, accepted and relied upon by the Court in this case.

The lower court's reliance on hearsay evidence to support a finding of actual confusion also puts it in conflict with other Circuit Courts.

The Eighth Circuit, in several decisions, has rejected hearsay evidence attempting to show confusion. In *Vitek Systems v. Abbot Laboratories*, 675 F.2d 190, 193 (8th Cir. 1992), the Circuit Court rejected as inadmissible hearsay the handwritten memorandum drafted by a party's own employee which purported to document the alleged confusion of a customer. Additionally, the *Vitek* Court found that the testimony of employees regarding alleged confusion by customers was hearsay and deserved little weight. *Id.* at 192. Ironically, in reaching this decision, the Eighth Circuit relied on a case affirmed by the Third Circuit. *See Flintoke Co. v. Tizer*, 158 F. Supp. 699, 702 (E.D. Pa. 1957), aff'd, 266 F.2d 849 (3d Cir. 1959) (finding testimony regarding alleged confusion of third persons is one of the most "unsatisfactory" types of evidence because it is capable of "such varying inferences").

In another recent decision, the Eighth Circuit held that evidence of misdirected mail and phone calls was hearsay of a "particularly unreliable nature" because there was no opportunity for cross-examination of the sender or caller as to the reason for their "confusion". *Duluth News-Tribune v. Mesabi Publishing Company*, 84 F.3d 1093, 1098 (8th Cir. 1996). Thus, this type of hearsay evidence could not be used to support a finding of actual confusion. *Id.*

The Third Circuit's decision in this case also puts it in conflict with the Ninth Circuit and the U.S. Court of Customs and Patents Appeals. In *Miss World (U.K.) Ltd., et al. v. Mrs. America Pagents, Inc.*, 856 F.2d 1445, 1451 (9th Cir. 1988), the Ninth Circuit found that hearsay evidence regarding confusion by third parties is weak evidence. The Ninth Circuit recognized that the "actual confusion" evidence presented through hearsay testimony can

very well indicate a misunderstanding on the part of the third party as to a particular question being asked and may not be indicative of actual confusion. *Id.*

Further, the United States Court of Customs and Patent Appeals has also held that a party's employee's testimony regarding the actual confusion of a third party is entitled to little weight. *Georgia-Pacific Corporation v. Great Plains Bag Co.*, 614 F.2d 757 (Cust. & Pat. App. 1980). Actual confusion is entitled to great weight only if properly proven. *Id.* at 762. The Court found that the hearsay evidence described above, should not be considered proper proof of actual confusion. *Id.*

With the Third Circuit's decision in this case, it joins the Seventh and Fifth Circuits as having directly conflicting rules of law regarding the use of hearsay as proof of actual and likely confusion.

The Fifth Circuit found hearsay evidence purporting to show actual confusion was "particularly useless" and properly excluded by a District Court. *Armstrong Cork Company v. World Carpets, Inc.*, 597 F.2d 496, 505 (5th Cir. 1979) cert den. 444 U.S. 932, 100 S.Ct. 277, 62 L.Ed.2d 190 (1979). The Court found that it was impossible to determine from the hearsay evidence whether comments in a magazine article were based on actual confusion, humor, or mere speculation. *Id.* at 505-506.

However, less than three years later, the Fifth Circuit allowed the use of hearsay testimony regarding misdirected phone calls and customer inquiries to show actual confusion. *Armco, Inc. v. Armco Burglar Alarm Co., Inc.*, 693 F.2d 1155, 1160 (1982).

Similarly, the Seventh Circuit found that misdirected letters, phone calls, and inquiries, and the testimony of

employees did constitute sufficient evidence to show likely confusion. *International Kennel Club of Chicago, Inc. v. Mighty Star, Inc.*, 846 F.2d 1079 (7th Cir. 1988). Although the Court recognized this evidence was all hearsay, it rejected the idea that this type of evidence was incompetent. *Id.* at 1090-91. In doing so, it rejected a lower court decision holding that hearsay reports concerning confusion, "especially those originating with employees of the Plaintiffs, are incompetent as evidence." *Id.* citing *Victory Pipe Craftsman, Inc. v. Faberage, Inc.*, 582 F. Supp. 551 (N.D. Ill. 1984). *See Imperial Service Systems, Inc. v. ISS International Service, Inc.*, 701 F. Supp 655, 659 (N.D. Ill. 1988) (recognizing that the "stringent evidentiary standard" in *Victory Pipe* was "acknowledged and disregarded by the Seventh Circuit").

However, in a more recent opinion, the Seventh Circuit has decided this same issue differently. In *Smith Fiberglass v. Ameron*, 7 F.3d 1327, 1331 (7th Cir. 1993), the Circuit Court held that the District Court properly rejected testimony concerning statements of an unidentified third party on both hearsay and relevancy grounds. The Seventh Circuit noted that evidence of actual confusion had to be, at the very least, admissible in order to support a determination that there is a likelihood of confusion between two competing trademarks. *Id.* The Court determined that hearsay evidence concerning the statements of unidentified third parties was not permitted by any exception to the hearsay rules; therefore, it was inadmissible. *Id.* Thus, since this hearsay evidence was inadmissible, it could neither support a finding of actual confusion nor a finding of likely confusion. *Id.*

These decisions demonstrate the conflicting approach to the use of hearsay evidence in both the Seventh and Fifth Circuits. As the instant case indicates, this conflict over the use of hearsay evidence now also exists in the Third Circuit. In affirming the lower Court's opinion, the Third Circuit is now in conflict and stands starkly opposed to the holdings of other Circuit Courts.

This Court has recognized that one of the purposes of the Lanham Act was to provide for the national protection of trademarks. *Park 'N Fly, Inc. v. Park and Fly, Inc.*, 469 U.S. 189, 193, 105 S. Ct. 658, 661 (1985). In order to ensure national uniformity in trademark law, the Lanham Act specifically provides for original jurisdiction in the Federal District Courts. 15 U.S.C. section 1121. This policy of uniformity is now threatened by conflicts amid and among the Circuit Courts in regard to the use of hearsay evidence to attempt to establish confusion.

Although actual confusion is not a prerequisite for finding likelihood of confusion, *SunFun Products v. Suntan Research & Development*, 656 F.2d 186, 191 (5th Cir. (Unit B) 1981), it is considered one of the most important factors in determining likelihood of confusion. *Ziebart International Corp. v. After Market Associates, Inc.*, 802 F.2d 220, 226 (7th Cir. 1986). This conflict on the use of hearsay provides an incentive for parties to bring suit in a Circuit with favorable rules regarding the use of hearsay evidence. Obviously the issue of confusion would be much easier to prove in a Circuit which allowed the use of hearsay to support the finding. Allowing hearsay to support a finding of confusion makes it easier for unreliable and perhaps fabricated reports of confusion to be accepted as true. Also, when a person testifies as to another's alleged confusion,

there is no effective way to determine the cause of the alleged confusion or whether the alleged confusion is genuine. This is especially true if the "confused" person is unidentified. Any ability to cross-examine the allegedly confused consumer is lost. Thus, the Defendant has no way to defend against this type of evidence and "one of the most important factors" is determined using the most unreliable evidence. *Id.*

Furthermore, the issue of the likelihood of confusion is the determinative factor in deciding whether there is trademark infringement. *Ford Motor Co.*, 930 F.2d at 291; *see also Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 462 (3d Cir. 1983) (finding of likelihood of confusion is the keystone for injunctive relief). Because of the national usage of trademarks in society, the Circuits should be consistent in determining the type of evidence which can support such a key issue.

The determination of whether a certain mark is a trademark is an important determination which can destroy a person's business and deprive them of their livelihood.

In this case, Mr. Laube spent four and one-half years developing the new and unique "Laube A-5 Cordless Pro Clipper". After an unsuccessful attempt to buy the clipper, Sunbeam filed this action accusing Laube of trademark infringement. At the preliminary injunction hearing, Sunbeam's purported evidence of actual confusion consisted of hearsay which was accepted and relied on by the lower court. A preliminary injunction was issued. The consequences to Laube have been enormous. His business has been injured and threatened with extinction. His reputation in the business community has been damaged, possibly irreparably. All of this occurred by virtue of the

lower Court's consideration of and reliance upon inadmissible unreliable hearsay and innuendo which would not have been permitted in the Court of Customs and Patent Appeals nor in the Eighth and Ninth Circuits. By accepting hearsay evidence of purported statements and conduct of unidentified third parties as evidence of actual confusion between the marks, the lower courts have engaged in speculation which rises to the level of mindreading. This reliance on speculative evidence is even more offensive given the first hand, uncontradicted evidence presented by Laube.

Laube presented evidence through "live" witnesses that showed that the "Laube A-5" designation caused no confusion between the Laube and Oster products. Laube also presented uncontradicted evidence in the form of a nonprobability survey conducted by Dr. Jacob Jacoby, PhD., an expert in the field of marketing who possesses over 20 years of experience. Based on the survey, Dr. Jacoby concluded that "the bottom line is there is virtually no likelihood of confusion based upon the tests conducted of these 147 qualified people." Sunbeam, a multimillion dollar corporation, conducted no survey, nor did it provide any expert testimony regarding the probability or likelihood of confusion based upon the "Laube A-5" designation. Sunbeam failed to produce any first hand witnesses regarding the issue of actual confusion.

However, in reaching its decision, the lower court disregarded Laube's evidence and relied on the hearsay evidence, which was the only evidence, provided by Sunbeam regarding the issue of actual confusion. Furthermore, the lower courts relied on the hearsay evidence which it deemed "distinctly probative" in finding a likelihood

of confusion between the Laube and Sunbeam products. Such speculation entered into by the lower courts on this critical and fundamental issue in trademark law has been previously rejected by decisions of this Circuit and other Circuits.

There is a "direct conflict" between the Circuits on this issue, and internal conflicts in at least two Circuits. This Honorable Court has previously recognized that it is necessary to accept Certiorari of a trademark case when there is a "direct conflict" between two Circuits and Petitioner respectfully submits that this is just such a case. *Park 'N Fly*, 469 U.S. at 193, 105 S. Ct. at 661; *Two Peso, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 766, 112 S.Ct. 2753, 2756-2757 (1992). This Honorable Court should take this opportunity to lay down a uniform rule of law denying the use of hearsay evidence to show confusion in trademark actions. Such a rule of law will end the conflict in the Third, Fifth and Seventh Circuits and will make the Circuits uniform regarding the inadmissibility and unreliability of this type of hearsay evidence.

CONCLUSION

The use of hearsay evidence from unidentified persons in determining actual and/or likelihood of confusion in a trademark infringement case is improper. The Circuits are in conflict as to the use of this improper evidence. The Third Circuit's decision in this case is in direct conflict with other Circuit decisions and effects a denial of fundamental fairness on your Petitioner. Due to the conflict among the Circuits and the unfairness of the Third Circuit's decision, this Petitioner's business is threatened by the entry of a preliminary injunction prohibiting his use of his longstanding and well known trademark. This Honorable Court should grant this Petition for Writ of Certiorari.

Respectfully submitted,

Daniel P. McDyer, Esquire
Counsel of Record Petitioner
600 Gulf Tower, 707 Grant Street
Pittsburgh, Pennsylvania 15219
(412) 765-3700

APPENDIX

"APPENDIX A"

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 95-3175/3282/3422

SUNEAM CORPORATION
Appellee

v.

KIM E. LAUBE d/b/a
Kim E. Laube Company
Appellant

SUR PETITION FOR REHEARING

Present: Present: SLOVITER, CHIEF JUDGE,
BECKER, STAPLETON, MANSMANN, GREENBERG,
SCIRICA, COWEN, NYGAARD, ALITO, ROTH,
MCKEE, SAROKIN, MCKAY*
Circuit Judges.

The petition for rehearing filed by appellant in the above entitled case having been submitted to the judges who participated in the decision of this court and to all other available circuit judges of the circuit in regular

active service, and no judge who concurred in the decision having asked for rehearing, and a majority of the circuit judges of the circuit in regular active service not having voted for rehearing by the court in banc, the petition for rehearing is denied.

BY THE COURT,

*As to Panel Rehearing only.

DATED: May 23, 1996

/s/Theodore A. McKee
Circuit Judge
Hon. Theodore A. McKee

"APPENDIX B"

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 95-3175/3282/3422

SUNBEAM CORPORATION
Appellee

v.

KIM E. LAUBE d/b/a
Kim E. Laube Company
Appellant

Appeal from the United States District Court
for the Western District of Pennsylvania
D.C. No.: 92-cv-00218
District Judge: Honorable William L. Standish

ARGUED March 19, 1996

Before: BECKER, McKEE, Circuit Judges,
and McKAY, Senior Circuit Judge*

JUDGMENT ORDER

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*The Honorable Monroe G. McKay, United States Court of Appeals Judge for the Tenth Circuit, sitting by designation.

After consideration of all contentions raised by the appellant, and after hearing and considering oral argument in support of those contentions, it is

ADJUDGED AND ORDERED that the judgment of the district court be and is hereby affirmed substantially for the reasons set forth in the magistrate judge's opinion of March 20, 1995.

Costs taxed against the appellant.

BY THE COURT,

/s/Theodore A. McKee
Circuit Judge

Attest:

/s/P. Douglas Sisk
P. Douglas Sisk, Clerk

April 22, 1995

"APPENDIX C"

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

SUNBEAM CORPORATION,	)
	)
Plaintiff,	)
	)
v.	) Civil Action No. 92-0218
	)
KIM LAUBE, d/b/a	) Judge Standish
KIM LAUBE COMPANY,	) Mag. Judge Caiazza
	)
Defendant.	)
	)

ORDER OF COURT

AND NOW, to-wit, this 20th day of July, 1995, it is hereby ORDERED, ADJUDGED and DECREED that Defendant's Objections to the order of April 10, 1995 by the Magistrate Judge be and hereby are DENIED. It is further ORDERED that the April 10, 1995 Order is adopted as the final order of this Court and the Order is entered in the following form:

1. Defendant Kim E. Laube d/b/a Kim E. Laube Company ("Laube") and his agents, assigns, devises and related entities be and hereby are enjoined from directly or indirectly using, in connection with the manufacture, advertising, distribution, offering for sale, or sale of animal clippers, associated blades, gear systems, blade caddies, battery packs, battery

charger, and any other components usable therewith, the expressions "A-5" or "A5."

2. Laube may use the A5® mark only in reference to Sunbeam's A5® brand clippers and clipper blades in order to make legitimate and accurate comparisons therewith or to inform purchasers of truthful claims as to how Laube's products may be used in association with Sunbeam's A5® brand clippers and clipper blades, so long as the following disclaimer is conspicuously displayed with any such statements:

> A5® and Golden A5® are registered trademarks of Sunbeam Corporation, a subsidiary of Sunbeam-Oster Company, Inc., which are not affiliated with the Kim E. Laube Company.

3. Laube shall, within thirty (30) days of service on Laube of the Order, given written notice of this preliminary injunction to persons or firms involved in using, manufacturing, reproducing, marketing, advertising, selling and/or distributing animal clippers, gear systems, blade caddies, battery packs, battery charges and any other components usable therewith, which bear the enjoined "A5" and "A-5" designations, including, by way of example, all catalog distributors, catalog houses, pet supply companies, suppliers, sales representatives of packing suppliers or printers, advertising agencies, telephone directors, subcontractors, mold fabricators, blade manufacturers and distributors of "Laube 'A-5'" products.

4. Laube shall further, in accordance with 15 U.S.C. § 1116, within thirty (30) days of service on Laube of this Order, file with this Court and serve on the Plaintiff a report in writing under oath setting forth in detail the manner and form in which Laube has complied with this preliminary injunction order.

5. This Order shall be binding upon the parties to this action, their officers, agents, servants and employees.

/s/William L. Standish ,J.

"APPENDIX D"

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

SUNBEAM CORPORATION, Plaintiff,	)
v.	) Civil Action No. 92-218) Judge Standish
KIM LAUBE, d/b/a KIM LAUBE COMPANY, Defendant.	) Mag. Judge Caiazza

ORDER

Presently before the court are (1) Plaintiff's Motion to Approve Bond and to Limit the Scope of the Preliminary Injunction, and (2) Defendant's Motion to Stay Preliminary Injunction Pending Appeal.

Fed. R. Civ. P. 62(c) provides, in pertinent part, the following:

> When an appeal is taken from an interlocutory or final judgment granting, dissolving, or denying an injunction, the court in its discretion may suspend, modify, restore, or grant an injunction during the pendency of the appeal upon such terms as to bond or otherwise as it considers proper for the security of the rights of the adverse party.

Accordingly, both motions fall within the purview of Fed. R. Civ. P. 62(c), and the Defendant's Notice of Appeal does not divest this court of its jurisdiction over both motions.

In that regard, Plaintiff's motion to set the preliminary injunction bond amount at $50,000.00 is GRANTED. Additionally, Plaintiff's motion to Limit the Scope of the Preliminary Injunction is Granted and the order is entered in the following form:

1) Defendant Kim E. Laube d/b/a Kim E. Laube Company ("Laube") and his agents, assignees, devises and related entities be and hereby are enjoined from directly or indirectly using, in connection with the manufacture, advertising, distribution, offering for sale, or sale of animal clippers, associated blades, gear systems, blade caddies, battery packs, battery chargers, and any other components usable therewith, the expressions "A-5" or "A5."

2) Laube may use the A5® mark only in reference to Sunbeam's A5® brand clippers and clipper blades in order to make legitimate and accurate comparisons therewith or to inform purchasers of truthful claims as to how Laube's products may be used in association with Sunbeam's A5® brand clippers and clipper blades, so long as the following disclaimer is conspicuously displayed with any such statements:

"A5® and Golden® are registered trademarks of Sunbeam Corporation, a subsidiary of Sunbeam-Oster Company, Inc., which are not affiliated with the Kim E. Laube Company"

3) Laube shall, within thirty (30) days of service on Laube of the Order, give written notice of this preliminary injunction to persons or firms involved in using, manufacturing, reproducing, marketing, advertising, selling and/or distributing animal clippers, gear systems, blade caddies, battery packs, battery chargers and any other components usable therewith, which bear the enjoined "A5®" and "A-5®" designations, including, by way of example, all catalog distributors, catalog houses, pet supply companies, suppliers, sales representatives of packing suppliers or printers, advertising agencies, telephone directories, subcontractors, mold fabricators, blade manufacturers and distributors and "Laube 'A-5®'" products.

4) Laube shall further, in accordance with 15 U.S.C. §1116, within thirty (30) days of service on Laube of this Order, file with this Court and serve on the Plaintiff a report in writing under oath setting forth in detail the manner and form in which Laube has complied with this preliminary injunction Order.

5) This Order shall be binding upon the parties to this action, their officers, agents, servants and employees.

Finally, Defendant's Motion to Stay Preliminary Injunction Pending Appeal is DENIED.

April 10, 1995
Dated

/s/ Francis X. Caiazza
Francis X. Caiazza
U.S. Magistrate Judge

cc:

Michael J. Kline
Thorp, Reed & Armstrong
One Riverfront Center
Pittsburgh, PA 15222

Donald P. McDyer
Anstandig, Levicoff & McDyer
2200 Gulf Tower
Pittsburgh, PA 15219

Gideon E. Mark
100 Wilshire Blvd.
Suite 940
Santa Monica, CA 90401

Michael R. Collins
Beech & Collins
16055 Ventura Blvd.
Suite 900
Encino, CA 91436

Dennis W. Beech
Law Offices of Dennis W. Beech
19900 Beach Blvd.
Suite C-2
Huntington Beach, CA 92648

"APPENDIX E"

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

SUNBEAM CORPORATION, Plaintiff,	)
v.	) Civil Action No. 92-218
KIM LAUBE, d/b/a KIM LAUBE COMPANY, Defendant.	) Judge Standish) Mag. Judge Caiazza

ORDER

AND NOW, this 20th day of March, 1995, upon consideration of the entire record in the above-captioned case, it is hereby ORDERED that the Motion for Preliminary Injunction filed on behalf of the plaintiff, Sunbeam Corporation, is GRANTED as follows:

1. Defendant Kim E. Laube, d/b/a Kim E. Laube Company ("Laube") is enjoined from directly or indirectly using, in connection with the manufacture, advertising, distribution, offering for sale, or sale of animal clippers, associated blades, gear systems, blade caddies, battery packs, battery chargers, and any other components usable therewith, the expressions "A-5" or "A5".

2. Laube shall, within thirty days of service on Laube of this order, give written notice of this preliminary injunction to persons or firms involved in using, manufacturing, reproducing, marketing, advertising, selling and/or distributing animal clippers, gear systems, blade caddies, battery packs, battery chargers and any other components usable therewith, which bear the enjoined "A5" and "A-5" designations, including, by way of example, all catalog distributors, catalog houses, distributors, wholesalers, supply houses, retailers, pet supply companies, suppliers, sales representatives of packaging suppliers or printers, advertising agencies, telephone directories, subcontractors, mold fabricators, blade manufacturers and distributors of "Laube A-5" products.

3. Laube shall further, in accordance with 15 U.S.C. §1116, within thirty days of service on Laube of this order, file with this court and serve on the plaintiff a report in writing under oath setting forth in detail the manner and form in which Laube has complied with this preliminary injunction order.

4. This Order shall be binding upon the parties to this action, their officers, agents, servants, and employees.

20 March 1995
Dated

/s/William L. Standish
William L. Standish
U.S. District Judge

cc:

Michael J. Kline
Thorp, Reed & Armstrong
One Riverfront Center
Pittsburgh, PA 15222

Donald P. McDyer
Anstandig, Levicoff & McDyer
2200 Gulf Tower
Pittsburgh, PA 15219

Gideon E. Mark
100 Wilshire Blvd.
Suite 940
Santa Monica, CA 90401

Michael R. Collins
Beech & Collins
16055 Ventura Blvd.
Suite 900
Encino, CA 91436

Dennis W. Beech
Law Offices of Dennis W. Beech
19900 Beach Blvd.
Suite C-2
Huntington Beach, CA 92648

"APPENDIX F"

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

SUNBEAM CORPORATION, Plaintiff,	)
v.	) Civil Action No. 92-218
KIM LAUBE, d/b/a KIM LAUBE COMPANY, Defendant.	) Judge Standish) Mag. Judge Caiazza

AMENDATORY REPORT OF MAGISTRATE JUDGE

In the Report dated January 31, 1995, the following paragraph appears on page four:

> Significantly, the record in the case sub judice also establishes that Oster's product is generically referred to in the industry as the "A5" clipper. (See e.g., Tr. at 147-48, 153, 273-74, 297-98, 323, 331, 337, 346-47, 354-55, 456.) In that regard, the use of the identical dominant letter and numeral, which, parenthetically, are exact in sound, has promoted actual customer confusion, and its continued use by Laube is likely to deceive the public because of the similarity of the marks. See generally (Tr. at 277-95); See also Sunbeam exhibits 80-86, 100.

See Report at 4, 2nd paragraph.

The word "generically" was not used in the Report as a legal term of art. Accordingly, because the word "generically" could be interpreted as carrying a legal significance which was not intended and because the mark "A5" is not a generic mark, the first sentence of the second full paragraph on page 4 of the Report should be modified in the following manner:

> Significantly, the record in the case sub judice also establishes that Oster's product is simply referred to in the industry as the "A5" clipper.

In accordance with the Magistrates Act, 28 U.S.C. §636(b)(1)(B) and (C), and Rule 72.1.4(B) of the Local Rules for Magistrates, and because of the Amendatory Report filed this date, objections are due by February 27, 1995, relative to both the Report filed on February 1, 1995, and the Amendatory Report filed this date. Responses to objections are due by March 13, 1995.

February 10, 1995
Dated

/s/ Francis X. Caiazza
Francis X. Caiazza
U.S. Magistrate Judge

cc:

Michael J. Kline
Thorp, Reed & Armstrong
One Riverfront Center
Pittsburgh, PA 15222

Donald P. McDyer
Anstandig, Levicoff & McDyer
2200 Gulf Tower
Pittsburgh, PA 15219

Gideon E. Mark
100 Wilshire Blvd.
Suite 940
Santa Monica, CA 90401

Michael R. Collins
Beech & Collins
16055 Ventura Blvd.
Suite 900
Encino, CA 91436

Dennis W. Beech
Law Offices of Dennis W. Beech
19900 Beach Blvd.
Suite C-2
Huntington Beach, CA 92648

"APPENDIX G"

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

SUNBEAM CORPORATION, Plaintiff,	)
v.	) Civil Action No. 92-218
KIM LAUBE, d/b/a KIM LAUBE COMPANY, Defendant.	) Judge Standish) Mag. Judge Caiazza

REPORT OF MAGISTRATE JUDGE RELATING TO THE EVALUATION OF THE LIKELIHOOD OF CONFUSION ISSUE UNDER THE SCOTT PAPER FACTORS[1].

FRANCIS X. CAIAZZA
United States Magistrate Judge

A. Procedural History

This case was commenced by the plaintiff Sunbeam Corporation ("Sunbeam")[2] under Section 43(a) of the

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[1]Scott Paper Company v. Scott's Liquid Gold, 589 F.2d 1225 (3d Cir. 1978).

[2]The "A5" clippers and blades which form the subject of this controversy are manufactured and distributed by Oster Specialty Products and marketed and sold using the Oster name. Formerly both Sunbeam

Lanham Act, 15 U.S.C. §1125(a) on January 28, 1992 against Kim E. Laube, d/d/b/a Kim E.Laube Company ("Laube"). In this action, Sunbeam seeks preliminary and permanent injunctive relief against Laube's use of the mark "A5" in the marketing and distribution of professional animal grooming clippers and its related products.

The "A5" mark, which forms the basis of this controversy was apparently used by Oster since 1962 to market an animal clipper with detachable blades. In April, 1991, Laube began to market a product designated as the "Laube A-5" clipper. Oster's clippers are known in the industry as the "A5" clippers.

On the basis of an evidentiary hearing, which was conducted in March, 1993, this court, inter alia, entered an order preliminarily enjoining Laube from manufacturing, distributing, marketing, advertising or selling its animal clippers or related products using the expressions "A5," "Golden A5"[3] or any other designations which are confusingly similar.

On appeal, discussing the likelihood of confusion issue, the Third Circuit Court of Appeals remanded to the trial court for an evaluation and analysis of the series of

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and Oster were owned by Allegheny International. Following the emergence of Allegheny International from bankruptcy, Sunbeam and Oster were known as Sunbeam-Oster Company, Inc. References to Oster in this opinion include both Sunbeam Corporation and Sunbeam-Oster Company, Inc.

[3]The mark "Golden A5" was registered by Oster as a trademark by the Patent and Trademark Office on September 1, 1992.

factors specifically enumerated in Scott Paper Company v. Scott's Liquid Gold, 589 F.2d 1225 (3d Cir. 1978).[4]

B. Legal Standard and Discussion

In Ford Motor Co. v. Summit Motor Products, Inc., 930 F.2d 277, 297 (3d Cir. 1991), the Third Circuit Court of Appeals directed the district court to engage in a multi-factor analysis to determine the "likelihood of confusion," which includes;

> (1) the degree of similarity between the owner's mark and the alleged infringing mark; (2) the strength of the owner's mark; (3) the price of the goods and other factors indicative of the care and attention expected of consumers when making a purchase; (4) the length of time the defendant has used the mark without evidence of actual confusion arising; (5) the intent of the defendant in adopting the mark; (6) the evidence of actual confusion; (7) whether the goods, though not competing, are marketed through the same

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[4]Trademark infringement is established if the plaintiff proves that "(1) the marks are valid and legally protectable; (2) the marks are owned by the plaintiff; and (3) the defendant's use of the marks to identify goods or services is likely to create confusion concerning the origin of the goods and services." Ford Motor Co. v. Summit Motor Products, Inc., 930 F.2d 277, 291 (3d Cir. 1991). Because the trial court has found that Sunbeam's "A5" mark is valid, enforceable and owned by Sunbeam, and because the court of appeals entered its remand order directing this court to evaluate the likelihood of confusion under the Scott Paper standards, this opinion will not again address the first two prongs of the test. See Bankers Trust Co. v. Bethlehem Steel Corp., 761 F.2d 943 (3d Cir. 1985) ("It is axiomatic that on remand for further proceedings after decision by an appellate court, the trial court must proceed in accordance with the mandate and the law of the case as established on appeal").

> media; (8) the extent to which the targets of the parties' sales efforts are the same; (9) the relationship of the goods in the minds of the public because of the similarity of function; (10) other facts suggesting that the consuming public might expect the prior owner to manufacture a product in the defendant's market.

930 F.2d at 293

Each factor will be addressed in seriatim.

1. Similarity of Marks

Sunbeam markets its clipper as the "A5;" Laube sells its clipper as the "Laube A-5." Obviously, both marks utilize the letter "A" and the numeral "5." However, subtle distinctions exist between the two marks. Laube hyphenates the mark it uses and also places its name in front of the designation[5]; Sunbeam does not utilize a hyphen nor does it insert the name "Oster" before its mark as a prefix.

Although "one feature of a mark may be more significant than other features, ...it is proper to give greater force and effect to (the) dominant feature." Giant Food, Inc. v. Nations Foodservice, Inc., 710 F.2d 1565, 1570 (Fed. Cir. 1983). Here the dominant feature of the mark is the letter "A" and the numeral "5." Confusion is the normal result when the dominant features of the two marks are identical. See Century 21 Real Estate Corp. v. Sandlin, 846 F.2d 1175, 1179 (9th Cir. 1988) (the use of the word "Century" by Century Investments and Realty is confusingly

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[5]The placement of a name as a prefix to a valid trademark does not of itself alleviate the likelihood of confusion. International Kennel Club v. Mighty Star, Inc., 846 F.2d 1079 (7th Cir. 1988).

similar to Century 21 because of the dominance of the word "Century").

Significantly, the record in the case sub judice also establishes that Oster's product is generically referred to in the industry as the "A5" clipper. (See e.g., Tr. at 147-48, 153, 273-74, 297-98, 323, 331, 337, 346-47, 354-55, 456.) In that regard, the use of the identical dominant letter and numeral, which, parenthetically, are exact in sound, has prompted actual customer confusion, and its continued use by Laube is likely to deceive the public because of the similarity of the marks. See generally (Tr. at 277-95); See also Sunbeam exhibits 80-86, 100.

2. Strength of the Mark

"A 'strong' mark is one which is used only in a 'fictitious, arbitrary and fanciful manner,' whereas a 'weak' mark is a mark that is a meaningful word in common usage, or is merely a suggestive or descriptive trademark." J.B. Williams Co. v. LeConte Cosmetics, 523 F.2d 187 (9th Cir. 1975). Also, "[m]arks may be strengthened by extensive advertising, length of time in business, public recognition and uniqueness." Century 21 Real Estate Corp., 846 F.2d at 1179.

Here, Sunbeam has used the mark "A5" in association with the manufacture and sale of animal clippers and blades for the past thirty years. Sunbeam was the sole user of the designation "A5" until Laube began to market its product as the "Laube A-5" in 1991. (Tr. at 11-12, 40, 88, 96, 162, 269-70, 331, 346-47.) Also, the grooming industry relates the mark "A5" with the Sunbeam product. (Tr. at 6-9.) In that regard, in order to develop a consumer association of the mark with its product, Sunbeam has allotted monies in excess of 1.5 million dollars in advertising and promoting its animal clippers and blades to people in the

industry and the general public. See Report of Findings of Fact and Conclusions of Law Relating to Plaintiff's Motion for Injunctive Relief of Judge Lancaster ("Report") at 2.

3. Price of Goods and Other Factors Indicative of the Care and Attention Expected of Consumers When Making a Purchase

Laube's clipper sells at the retail price of $99.99. Sunbeam markets its clipper at $92.42. Additionally, Laube offers a cordless kit, which is an item independent from its clipper, and which retails for $269.99. See exhibits E & F appended to Sunbeam's Supplemental Brief in Support of Motion for Preliminary Injunction.

When viewed in the context of the likelihood of confusion, the similarity of the cost of the Laube and the Sunbeam clippers serves to mislead an appreciable number of ordinary prudent purchasers as to the source of the product[6], especially when this factor is considered in conjunction with the likeness of the mark now utilized by both the plaintiff and the defendant.

The Court recognizes that the degree of caution used by buyers is dependent on the relevant buying class. Ford Motor Company, Id. at 293. Here, not all of the buyers who are reached by the Sunbeam market efforts are professional. The record sufficiently establishes that individual consumers also purchase Oster clippers. (Tr. at 13-14.) Where the buying class consists of mixed professional and individual consumers, "then the issue will center on the consumers, for confusion within the lowest stratum of 'reasonably prudent buyers' may give rise to liability even if professional buyers in the market are not

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[6]See Mushroom Makers, Inc. v. R.G. Barry Corp., 580 F.2d 44 (2d Cir. 1978).

confused." Ford Motor Company, Id. at 293. See also Kroger Grocery and Baking Co. v. Blue Earth Canning Co., 88 F.2d 725, 226 (C.C. P.A. 1937) (the law protects the entire gamut of purchasers, including retail customers and members of the trades).

4. Length of Time Without Actual Confusion

The cordless clipper marketed by Laube was introduced in April, 1991. Soon thereafter, an Oster service center received Laube clippers with a repair request. (See Tr. at 304.) Although the unit was returned to its owner and acknowledging that there was no personal customer contact, the fact that Laube's product was mailed to an authorized Oster repair center represents evidence of actual confusion. See, e.g., Westward Co. v. Gem Products, Inc., 570 F.Supp. 943, 950 (E.D. MI. 1983). Relatedly, the brief interval of time which elapsed between the introduction of the Laube "A-5" clipper in 1991 and the subsequent return of the Laube product to an authorized Oster service center demonstrates the brief interlude of time which existed without actual confusion.

5. Laube's Intent

The record reflects that Laube was previously a distributor of Oster's pet grooming products. (Tr. at 468-69, 489.) Consequently, it follows that he was subjectively aware of Oster's use of the "A5" mark because of his prior affiliation with Oster. In that regard, in its initial opinion, the court found that the "defendant used "A-5" for his clippers for the very purpose of associating it with the snap-on style clipper sold by plaintiff." See Report at 8. See also Baker v. Simmons Co., 307 F.2d 458, 465 (evidence of

intent to copy a trade name is circumstantial evidence of likelihood of confusion).

Recognizing the prior knowledge of Laube regarding the mark "A5" and the marketing value generated by Oster because of its promotion of the designation over a significantly long period of time, Laube's use of the "A-5" mark is strongly suggestive of his intention to draw from the mark.

6. Actual Confusion

Actual Confusion serves as a barometer which measures the likelihood of confusion. See Louisiana World Exposition, Inc. v. Logue, 746 F.2d 1033, 1041 (5th Cir. 1984) citing Falcon Rice Mill v. Community Rice Mill, 725 F.2d 336, 345 (5th Cir. 1984). The Lanham Act only requires a likelihood of confusion and not actual confusion. However, actual confusion usually serves as an implication of a likelihood of confusion. See Louisiana World Exposition, Inc. v. Logue, 746 F.2d 1033, 1041 (5th Cir. 1984); See also McGraw Edison Co. v. Walt Disney Prods., 787 F.2d 1163, 1172 (7th Cir. 1986), quoting World Carpets, Inc. v. Dick Litrell's New World Carpets, 438 F.2d 482, 489 (5th Cir. 1971) ("very little proof of actual confusion would be necessary to prove likelihood of confusion"). Here, the record establishes that: (a) some customers have indicated that because of Laube's use of the mark A-5, they assumed that he was associated with Oster, (Tr. at 285); (b) following the introduction of the Laube "A-5" clippers, authorized Oster service centers began receiving Laube clippers for repair, (Tr. at 305); (c) relatedly, Oster's sales representative received inquiries from customers both requesting information about the Laube clippers and seeking to purchase the Laube clippers from Oster following the date that Laube began to market his product; (d) at an industry

trade exposition in Hershey Pennsylvania, several participants requested to see Oster's new clipper, which is offered in different colors and which can be purchased with a battery pack (a reference to the Laube "A-5" clipper), (Tr. at 281-82); (e) also, at a grooming seminar in Pittsburgh Pennsylvania, an Oster district sales manager asked to see their new clipper, described as both having a battery pack and being offered in a variety of colors, (again, representing an obvious reference to the Laube "A-5" clipper), (Tr. at 284-85); and (f) in early 1992, an Oster sales representative received a telephone call from a representative of a significant account requesting information about the Laube clipper. (Tr. at 287.)

Here, the examples of actual confusion in the record are sufficient to establish a likelihood of confusion.

Laube offered the testimony of Jacob Jacoby to rebut Sunbeam's evidence of actual confusion. (See Tr. at 363-420.) The non-probability survey which he designed included purchasers or likely purchases of the products who have exposure to, or the opportunity of exposure to, the products or advertising which relates to the products. (Tr. at 369-70.) Specifically, the survey targeted (a) professional dog groomers, (b) individuals at veterinarian's offices and (c) distributors. (Tr. at 366, 371-72, 392-93.) However, the bulk of Sunbeam's sales are related to catalog distributors, which represents a market segment not included in the Jacoby survey. (See Tr. at 16, 411-12.) Because the survey does little to establish confusion among members of the class situated within the lowest segment of purchasers, the survey cannot be accorded significant weight. See Worthington Foods, Inc. v. Kellogg Co., 732 F.Supp. 1417, 1448 (S.D. Ohio 1990) (likelihood of confusion must be surveyed from view of ordinary consumers).

7. Marketing Channels

Both the plaintiff and the defendant solicit business in the same manner; viz, by "using trade publications, catalogs, brochures, pamphlets and appearing at trade shows." See Report at 4.

8. Targets of the Parties Sales Efforts

The targets of the parties sales efforts are fundamentally identical. In that regard, both Oster and Laube reach distributors, veterinarians, professional groomers and consumers by attending trade shows, advertising in the same trade magazines and by entering into advertising arrangements with the same catalog distributors. See Report at 4.

9. Similarity of Function

Aside from the fact that the Laube clipper is cordless, Oster's "A5" clipper performs the same function as the Laube "A-5" clipper.

II. SUMMARY

A consideration of the ten Scott Paper factors aptly indicate a likelihood of confusion. Distinctly probative here is the similarity of the marks, the strength of the Sunbeam mark, the intent of Laube and the brief interval of time which elapsed between the introduction of the Laube "A-5" clipper in 1991 and the subsequent return of the Laube product to an authorized Oster service center. Laube does offer testimony through the Jacoby survey that the buyer who is representative of (1) professional dog groomers, (2)

individuals at veterinarian's offices and (3) distributors will not confuse the two products. However, present here is a mixed class composed of both professional purchasers and ordinary consumers. In that regard, when the class of buyer is heterogeneous the resolution of the likelihood of confusion issue will focus on the individual consumers and should be evaluated from the view of the buyer situated within the lowest sphere of the relevant buying class.

A review of the record sufficiently establishes a likelihood of confusion. Because the court has already found that (1) the marks of Oster are valid and legally enforceable; (2) the marks are owned by the plaintiff; and (3) the moving party has demonstrated a reasonable probability of eventual success in the litigation and since the court now finds that the defendants' use of the marks to identify its product is likely to create confusion concerning the origin of the goods, the following order should be entered by the court.

> AND NOW, this __ day of _____, 1995, upon consideration of the entire record in the above-captioned case, it is hereby ORDERED that the Motion for Preliminary Injunction filed on behalf of the plaintiff, Sunbeam Corporation, is GRANTED as follows:
>
> > 1. Defendant Kim E. Laube, d/b/a Kim E. Laube Company ("Laube") is enjoined from directly or indirectly using, in connection with the manufacture, advertising, distribution, offering for sale, or sale of animal clippers, associated blades, gear systems, blade caddies, battery packs, battery chargers, and any other

components usable therewith, the expressions "A-5" or "A5".

2. Laube shall, within thirty days of service on Laube of this order, give written notice of this preliminary injunction to persons or firms involved in using, manufacturing, reproducing, marketing, advertising, selling and/or distributing animal clippers, gear systems, blade caddies, battery packs, battery chargers and any other components usable therewith, which bear the enjoined "A5" and "A-5" designations, including, by way of example, all catalog distributors, catalog houses, distributors, wholesalers, supply houses, retailers, pet supply companies, packaging suppliers or printers, advertising agencies, telephone directories, subcontractors, mold fabricators, blade manufacturers and distributors of "Laube 'A-5'" products.

3. Laube shall further, in accordance with 15 U.S.C. §1116, within thirty days of service on Laube of this order, file with this court and serve on the plaintiff a report in writing under oath setting forth in detail the manner and form in which Laube has complied with this preliminary injunction order.

4. This Order shall be binding upon the parties to this action, their officers, agents, servants, and employees.

January 31, 1995
Dated

/s/Francis X. Caiazza
Francis X. Caiazza
U.S. Magistrate Judge

cc:

Honorable William L. Standish

Michael J. Kline
Thorp, Reed & Armstrong
One Riverfront Center
Pittsburgh, PA 15222

Donald P. McDyer
Anstandig, Levicoff & McDyer
2200 Gulf Tower
Pittsburgh, PA 15219

Gideon E. Mark
100 Wilshire Blvd.
Suite 940
Santa Monica, CA 90401

Michael R. Collins
Beech & Collins
16055 Ventura Blvd.
Suite 900
Encino, CA 91436

Dennis W. Beech
Law Offices of Dennis W. Beech
19900 Beach Blvd.
Suite C-2
Huntington Beach, CA 92648